

**MEMORANDUM OF UNDERSTANDING
FOR
DENALI COMMISSION TRANSPORTATION PROGRAM
BETWEEN
THE DENALI COMMISSION
AND
THE ALASKA NATIVE TRIBAL HEALTH CONSORTIUM**

JULY 2007

I. INTRODUCTION

This Understanding is made between the Denali Commission, hereinafter referred to as the Commission, acting through the Federal Co-Chair, pursuant to the provision of the Denali Commission Act of 1998, as amended, and the Alaska Native Tribal Health Consortium, hereinafter referred to as the Consortium, acting through the Chief Executive Officer, under and pursuant to the provisions of Public Laws 93-638, as amended, and Section 325 of Public Law 105-83.

II. PURPOSE OF THE MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) defines the roles and responsibilities of each party with regard to the design and construction management of Commission-funded and Consortium-executed transportation infrastructure projects in Alaska. This MOU will be used for all transportation Financial Assistance Awards (FAAs) granted during the period of the MOU. Projects developed within the Denali Commission Transportation Program, and under this MOU are generally funded through the Federal Highway Administration (FHWA) and are subject to of Title 23 USC regulations. The parties agree to ensure that all project development and construction management complies with applicable FHWA regulations. To assist in that compliance, the Consortium and the Commission will mutually develop project scopes of work, schedules and budgets, including project management fees.

The MOU is entered into pursuant to the Economy in Government Act (31 USC Section 1535).

III. AGREEMENT

A. Project Selection and Financial Assistance Award Processes

The Commission and the Consortium will mutually choose to nominate health-related transportation projects for consideration by the Commission's Transportation Advisory Committee during its annual call for project nominations. Commission and Consortium will work together to develop a scope

Memorandum of Understanding – Denali Commission Transportation Program

of work for nominated projects that reflect the goals and objectives of the respective organizations.

If the Transportation Advisory Committee selects one or more of the nominated projects, the Commission and the Consortium will mutually develop requisite project-level FAA documents for approval by the Commission Federal Co-Chair and the Consortium Chief Executive Officer.

The Consortium and the Commission may also agree that other projects selected through the Transportation Advisory Committee nomination and selection process may be suitable for design development and/or construction management by the Consortium. Such project assignments will be through mutual agreement by the Consortium and the Commission. The Commission and the Consortium will mutually develop requisite project-level FAA documents for these projects for approval by the Commission Federal Co-Chair and the Consortium Chief Executive Officer.

Based on the mutual consent of the parties, an FAA may be amended during project development to reflect changes in the scope of work and/or changes in project funding requirements. The FAA or its amendments and addenda will provide details concerning the changes to the scope of work and/or the funding level adequate for management decision-making purposes. Any proposed FAA funding amendment over 10% of the original FAA fund level will require review and concurrence by the Commission's Transportation Advisory Committee.

B. Project Development

Projects are generally in one of two stages when selected by the Transportation Advisory Committee:

- Stage 1 is a design project; work has generally not progressed beyond conceptual scoping and cost estimates for the proposed facilities. The project scope for a project in this stage will include National Environmental Policy Act (NEPA) and National Historic Preservation Act (NHPA) compliance (review and determination) and approval; community resolutions demonstrating concurrence with project scope; engineering design, plan set development and specifications; permit acquisition; Right-of-Way (ROW) surveying and site control clearances; construction cost estimates; and completed construction bid documents. Projects in this stage are generally funded for a complete design and ROW as part of the original FAA. Projects will be construction ready when Stage 1 is complete.
- Stage 2 is a construction project; project design, plans, permitting, ROW and environmental clearances are completed and approved. The scope of work is generally advertising for and awarding construction contracts,

Memorandum of Understanding – Denali Commission Transportation Program

construction management and execution of project construction activities, final inspection and warranty.

The Consortium will execute appropriate level tasks for each selected project, based on its stage of development. The Commission will call a post-FAA document approval meeting to confirm the project and work with the Consortium on a Work Plan that will become the basis for management reporting systems between the respective organizations.

The Consortium will prepare financial reports, progress reports and closeout reports according to the timing and scope defined FAA documents associated with each project under active development.

For Stage 1 projects, the Consortium will perform Environmental Reviews using the Indian Health Service (IHS) Environmental Review Manual and IHS policy published in the Federal Register, Vol. 58, No. 3, January 6, 1993, pages 569-572.

The Consortium will prepare ER documentation consistent with NEPA and NHPA review procedures, as established for IHS environmental design and construction projects. The Consortium will prepare draft documents for Commission review, and when mutually agreed, the Commission will adopt the documents as part of its project record.

The Consortium will maintain project records in accordance with Title 23 USC.

C. Consortium Project Management Roles and Responsibilities

The Consortium will directly manage projects mutually selected by the Consortium and the Commission for design and/or construction. The following are applicable to project management of selected projects:

- The Consortium or its contractor will conduct a project start-up conference with the local and/or tribal governments associated with the project. The Commission Transportation Program Manager will generally attend this meeting.
- The Consortium or its contractor will coordinate with the local governments to establish a resolution in support of the project scope, schedule and budget for the project. The Consortium will provide the Commission with a copy of the community resolution for the project files.
- The Consortium or its contractor will provide day-to-day oversight of project tasks and activities.
- For design projects, the Consortium or its contractor will produce and/or conduct reviews for engineering, environmental, utility, Right-of-Way tasks, products and other project elements as appropriate.
- The Consortium will ensure that analyses and studies for the preparation of the appropriate level NEPA/NHPA documentation are completed, and

Memorandum of Understanding – Denali Commission Transportation Program

will obtain all necessary NEPA/NHPA approvals as part of the design effort.

- The Consortium will ensure that utility issues associated with a project are addressed and that all Right-of-Way clearances or acquisition needed for construction are obtained.
- The Consortium or its contractor will participate in community meetings for preliminary design, final design and as appropriate, participate in local and regional planning meetings that affect selected projects.
- For construction projects, the Consortium or its contractor will perform site visits and other appropriate construction phase actions during the construction phase to ensure construction efforts meet the specifications and goals of each project.
- During project execution, the Consortium will monitor financial expenditures and project progress, submitting billing on a monthly or quarterly basis for reimbursement by the Commission.
- As stated in each project FAA document set, the Consortium will, at the earliest possible date inform the Commission of any potential cost overruns, and take other actions as necessary to ensure financial integrity of the project and program are maintained.
- Upon project completion, the Consortium will prepare a closeout report for projects for review and approval by the Commission.
- As projects are completed, in addition to the closeout report information, the Consortium will work with the Commission to provide lessons learned, best practices and an evaluation of project-specific details and events that will be pertinent to future projects, and will assist both organizations in successfully managing future projects. This communication may take place informally or may be transmitted in written form from the Consortium to the Commission.

D. Commission Roles and Responsibilities

The Commission will select design and/or construction projects through its Transportation Advisory Committee-based Project Nomination Process on an annual basis. Projects mutually selected by the Commission and the Consortium for Consortium management will be identified in the Commission Transportation Program Report to the Commission's Transportation Advisory Committee.

- The Commission will notify, in writing, each applicant approved for a project managed by the Consortium that the project has been successful in the Commission project selection process. The notification will clearly identify the role of the Consortium in administering the Commission project. A copy of this letter will be provided to the Consortium.
- The Commission will prepare and execute FAA documents for projects selected for Consortium design development and/or construction management.

Memorandum of Understanding – Denali Commission Transportation Program

- The Commission will provide the Consortium with an NEPA/NHPA Environmental Determination, based on information prepared by the Consortium.
- The Commission will provide current and relevant policies or regulations, including applicable Title 23 USC materials relevant to the use of federal-aid highway funds in project development. The materials will be incorporated by reference into the Consortium project files.
- The Commission will work with the Consortium in an expeditious manner to address all potential cost overrun issues associated with selected projects in order to maintain project schedules and to maintain project and program financial integrity.
- The Commission will transfer funds to the Consortium monthly or quarterly on a reimbursable basis based on financial expenditure reports and submittals reviewed and approved by the Consortium and the Commission.

E. Project Management Budget Development

The Consortium will prepare a project management budget, including administration, design and construction management activities, based on established rates for personnel, travel and services for Commission review and approval. The Federal Highway Administration Transportation Program Manager will provide budget development services as needed. The total budget value at this early stage in project development is an estimate only.

F. Reporting

Financial reporting will be accomplished through procedures identified in each project FAA document set. Financial reporting is typically done on a quarterly basis, unless modified by the Commission program manager. Commission changes to the reporting requirements will be reviewed with the Consortium and set in place in a timeframe that allows the Consortium to respond within a reasonable time.

The Consortium and the Commission will cooperate to ensure this reporting is accomplished through interface of their respective automated reporting systems.

IV. DURATION OF AGREEMENT

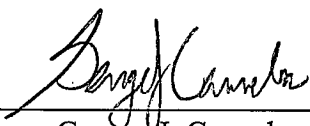
This agreement will continue in force until such time that the Consortium or the Commission provides written notice of termination, which will be one hundred and twenty days in advance of actual termination.

V. DISPUTE RESOLUTION

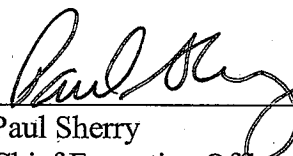
Should disagreement arise on the interpretation of the provisions of this MOU, or its amendments, that cannot be resolved, the area of disagreement will be stated in writing by each party and will be presented to the other party for consideration. If agreement on interpretation cannot be reached within thirty days of exchange of written interpretations, the parties will move to mediation by a neutral third party.

VI. SIGNATURES

In the witness whereof, the parties have subscribed their names,



Date George J. Cannelos
Federal Co-Chair
Denali Commission



Date 09/19/2007 Paul Sherry
Chief Executive Officer
Alaska Native Tribal Health Consortium